

City and Town

Navjeet K. Bal, Commissioner • Robert G. Nunes, Deputy Commissioner & Director of Municipal Affairs



A Publication of the Massachusetts Department of Revenue's Division of Local Services

Bulletin 2011-09B Tornado Damage - Financing Emergency Expenses and Assessing Property Tax (Supersedes Bulletin 2011-07B)

On June 21, 2011, the Governor signed a supplemental budget with outside sections that provide municipalities with additional options under state municipal finance law to respond to the emergency caused by the June 1, 2011 tornado in western and central Massachusetts. St. 2011, c. 52, §§ 3 and 13. The changes took effect immediately. This *Bulletin* explains the options now available, as amended or expanded by the legislation, and supersedes the information provided earlier this month in *Bulletin 2011-07B*.

Bulletin 2011-09B can be found by clicking [here](#).

Originally published as a separate DLS Alert on June 28, 2011

Tornado Taxes Assessors – Local Officials Rise to Challenge

Written by Sandra Bruso

Photos by Kirsten Shirer and Allan Taylor - click [here](#) to view photos

It is a fine, late spring day in Western Massachusetts. In South Monson, a farmer is making his first cutting of sweet smelling hay, a cow casts a baleful eye at me before returning to her grazing, and bees drone lazily by. It is difficult to comprehend that less than half a mile away, the scene is stark, unsettling, and so very different.

As I turn the corner and head north, the sounds of the tractors and the bees are drowned out by the incessant buzzing of chain saws, and the air smells like an uncomfortable mix between pine air freshener and a lumber mill. There is devastation as far as the eye can see.

Two weeks ago, the weather was less idyllic. The high humidity promised to turn stormy, and there were severe weather related warnings. From our DOR office on Dwight Street in Springfield, Kirsten Shirer (Deputy Director of Information Technology) and I could see the storm building to our west, the light an odd yellow. We watched the clouds drop, and then a section began to rotate and drop further. Before long, it began picking up debris, and a few hundred yards from our window, a tornado was born.

We are New Englanders, and as such we didn't think the storm was going to amount to much. Tornadoes in the northeast are usually limited to very small areas and the damage tends to be minimal. The storm seemed more like a novelty than a menace. We had no idea of the damage this storm was causing, or the challenges it was going to present to the cities and towns in its path.

By the time we saw the funnel cloud form over the Connecticut River, the main storm had already touched down in Westfield. It would leave a swath of destruction over forty miles long before blowing itself out over Southbridge. Visible from satellite photos, it looks like a dirt road running roughly parallel to the Massachusetts Turnpike. In the wake of the

storm damage would range from a few shingles blown off buildings to piles of rubble that were almost impossible to identify as having been homes and businesses only moments before.

In Westfield, the storm crested the hill above Hundred Acres, snapping trees and knocking down fences as it headed down through the Munger Hill neighborhood. The damage was comparatively minor, in retrospect, with one house destroyed and another substantially damaged, but with the majority of affected properties missing shingles, siding, gutters and fences. The Munger Hill Elementary School took the most damage, where the cost of repairing or replacing the roof could cost the city up to \$1,000,000. The tornado skipped around a little, leaving some streets untouched before brushing through the neighborhoods off Pontoosic Street.

Moving eastward, it skimmed through Agawam, toppling trees and knocking out the power, closing streets until the debris could be cleared and the lines restored.

It swept through West Springfield, first through the rail yards off Memorial Avenue, then straight into the Merrick section of the town. This area is a mix of commercial, industrial and multi-family homes which sprouted up around the rail yard at the end of the nineteenth century. By the time the storm had crossed the Connecticut River, two people were dead, five residential buildings and nine commercial buildings destroyed (or condemned) and seventy-four more suffered some level of damage.

Springfield, the City of Homes, was particularly hard hit. The storm crossed the river, destroying a section of the South End neighborhood before climbing the hills and laying waste to the McDuffie School and historic mansions on Maple Street. More modest homes and multi-families on Central Street were destroyed before the storm wrought havoc on the Six Corners and East Forest Park neighborhoods. Gone is a section of Main Street that was once home to a vibrant Italian community. Gone too are many of the multi-family homes in the tight knit Six Corners neighborhood. Also gone are the leafy, tree-lined blocks of tidy postwar houses that made up the family friendly East Forest Park subdivisions. Mapped by GIS, the actual path of the tornado affected just under 2,000 properties, with others within a one mile radius affected to a lesser degree.

From the East Forest Park neighborhood in Springfield, the storm barreled into Wilbraham, where it followed Tinkham Road west across the Town and up Springfield Mountain. After cresting the mountain at Peak Street, it dropped into the heavily wooded valley and into Monson, destroying acres of old woodland before ravaging the picturesque New England village. The town offices and police station were severely damaged, and church steeples were toppled; then the twister began tearing up houses and trees on its way to a camp in Brimfield, where it damaged 95 of 97 trailers at the site, killing one resident.

Before the storm had spent itself, it careened through Sturbridge and into Southbridge, where it damaged a number of small planes at the airport.

For many of us who work in Springfield or Hartford, the commute home became a multi-hour ordeal. It was impossible to travel from north or south between Connecticut and Massachusetts, as all roads were blocked by debris and downed power lines from the Connecticut River all the way to Route 84 in Sturbridge. Emergency personnel were stretched thin by the scope of the damage, and travelers were largely left to their own devices in finding a passable route home through hail, lightning and torrential downpours.

By sunrise on Thursday morning, it was clear that this wasn't the type of storm we were used to in Massachusetts. It wasn't the lighter widespread damage we have come to expect from a hurricane. The landscape went from normal to ravaged in the blink of an eye. There seemed to be no rhyme or reason to which houses stood or which fell. Some were unidentifiable piles of rubble, and you had to wonder what stroke of luck had allowed the residents to escape with their lives. Possessions were literally scattered to the winds. A pay stub belonging to Monson Assessor Russell Bressette, whose house was destroyed, was found halfway across the state. The gentleman who found it called the Assessors' Office, and this reminder of the storm, literally brought to him on the wind, prompted him to make a donation to the relief efforts. A check register belonging to another resident was found 90 miles away in the Boston suburb of Milton.

The municipalities all rose to the challenge, with assistance from State and Federal Emergency Management Agencies

and the Massachusetts National Guard. Police Officers and First Responders worked tirelessly. Neighbors helped neighbors. Strangers spared by the storm reached out to those who were less fortunate and town officials scrambled to do what they could.

Monson faced some unique challenges. The town hall was one of the buildings damaged in the storm. At this point, no decision has been made about whether the building will be razed.

Since the Police Department was in the basement of the town offices, formerly a high school built in 1923, communication between emergency personnel was impossible. Wires were down and electricity was out throughout most of town. Parts of Wilbraham, East Longmeadow and Hampden wouldn't have power restored until the following Saturday. And yet, Monson managed to coordinate their efforts.

An unsung hero in the storm was town hall custodian Paul DeMaio, who had the presence of mind in the immediate aftermath of the storm to protect the computer servers, protecting them from the weather and getting the generator up and running. He found town officials, and asked if only a few things could be removed from their offices what their priorities would be.

Warning sirens in most towns have given way to newer technology. With reverse 911 available, many communities saw no point in maintaining them. But with no power, and phone lines down, reverse 911 isn't a possibility. Despite this, by Thursday morning, most of the town employees met on Main Street as everyone took in the destruction of their quaint town center. Town wide meetings for those affected were quickly organized, with notices posted around town and announced on the radio and in the newspapers.

Town government relocated to the middle school building on Thompson Street. Before the building was sealed on Saturday, town officials, with the aid of town residents, including some civically minded high school students packed what they could for the move to Thompson Street.

Saturday afternoon I drove to Monson to make a donation at the First Church. I was struck first not by the devastation which confronted me, but by the heavy line of traffic up Main Street. There were lumber trucks and utility trucks and National Guard vehicles, one with wheels as high as the roof of my minivan. Many of the cars belonged to people who had come to gawk at the damage. Their cars choked the streets and made it difficult for those committed to the recovery efforts. Although I came with the best of intentions, to a town I had worked in for sixteen years and streets I knew well, I felt like an interloper, intruding on a private grief. The town had come together, the strength of the community standing like a beacon above the ruined steeple of the First Church, a hub for relief supplies and volunteers. I wasn't able to stop at the church with my donation. Probably due to my out of state plates, I was waived on by an earnest looking young Guardsman.

Not all the outsiders had come to gawk however. A couple helped Russell Bressette collect what items they could from the rubble of what had been his home. He didn't recognize them because they had driven all the way from New Hampshire to help with this heartbreaking task.

Town Administrator Gretchen Neggars had things well in hand. Town government was settling into new, temporary digs by Saturday, although it would be days before the offices knew what they had packed, as there was little time for organization. Boxes were packed, loaded into trailers, and moved to the new location. There would be time enough for sorting once they were unpacked.

The building inspector, Harold Leaming, hit the ground running. Every house affected by the storm was inspected and a placard was posted. Red indicated a building that was demolished, or would need to be because it was structurally unsound. Yellow placards are more ambivalent – the property might be sound after some repairs are made, or after review by the insurance company or a structural engineer might be deemed unsound and need to be demolished. The Greens are my personal favorites. They denote that the building has only cosmetic damage and is suitable for occupancy. Lance Trevallion, the building inspector shared by Wilbraham and Hampden, used the same system.

It's hard, in the face of so much personal tragedy, to remember that there is an official task at hand. For me, that meant

overcoming a personal reluctance to intrude on people and towns reeling from the tragedy they were faced with, and for our assessors, it meant having to quantify the damage in time for quarterly bills, and in many cases, to determine abatements for the last month of the FY 2011 fiscal year.

Ann Murphy, the Assistant Assessor for Monson, was up to the task. The first thing was to interrupt the billing process already in place. Ann does her own field work, but the sheer scope of the reviews, along with the limited time before first quarter bills needed to be committed presented a formidable task. The town's revaluation vendor, Roy Bishop, volunteered his services to help with inspections, and to help determine how to quantify the damage. Diane Hildreth, Director of Assessing for East Longmeadow and former Assistant Assessor for Monson also volunteered, as did David Burgess, Principal Assessor for the Town of Amherst. They hoped to complete the task by June 27th, but beat their own expectations and completed the field work on June 16th.

In Monson, there were 60 buildings coded red, 67 yellow and 116 green, representing approximately 10 percent of the residential properties. The adjusted values will all be entered before the tapes can be sent for billing before June 30. Because many people have been displaced, a public meeting reviewing the process was held last week, and Ann and her team left hang tags at each property they visited, inviting the taxpayers to call the office with their new contact information.

With so many properties affected by the storm, Monson needs to be concerned about both the FY2011 overlay and lost levy capacity for FY2012, which will shift the burden to the properties that were spared from storm damage by an increase in the rate.

Jim Pettengill, Principal Assessor for Westfield completed his review in record time, and bills there will also be timely. The damage to the property with the destroyed home was less than 50 percent of the overall value, so he does not have any FY2011 abatements to consider. The only financial consideration facing the town is the cost of repairing or replacing the roof at the Munger Hill School.

In West Springfield, the billing process was too far along to stop. With only 88 properties affected, all of them in the comparatively small area of Merrick, there will be little affect on the overlay or the FY2012 rate. Principal Assessor Chris Keefe plans to have all the value adjustments reflected in the actual, third quarter bills.

Wilbraham fared somewhat better, although you might question that driving down Tinkham Road, or looking at the remains of Evangeline Road or Echo Hill. Wilbraham had 12 reds, 77 yellows, and 42 greens. Their first quarter bills have already gone out, so that same urgency isn't there. That said, they have begun the review process and hope to have all the values and abatements issued prior to the actual bill.

While Monson is facing the challenge of rebuilding a town government, Springfield is facing an assessing challenge of epic proportion. Unlike the smaller communities where properties were inspected by the local building department, Springfield had state and federal help in the inspections. Not everyone was on exactly the same page, and the markings were done with spray paint. These markings are reminiscent of the ones the media showed us in post-Katrina New Orleans. Unlike the placards, spray paint can't be easily removed, or damaged by wind or rain. The complication was that at some point in the process the inspectors ran out of spray paint, leaving the status of some properties unclear at best.

The City of Springfield had just finished the gargantuan process of field inspecting every property in the city this spring. And now that data was no longer relevant for a minimum of 2000 properties. The inspectors are out again, trying to establish the property data and condition as of June 30. The Assessor's office was provided with a list of condemned properties. As Assessor Pedge Lynch pointed out, however, that list wasn't definitive. Some buildings were condemned because of interrupted utility connections, which have been fixed and the properties removed from the list, so the list is somewhat fluid. The status of damaged buildings may be dependent on the inspection of an insurance adjuster or a structural engineer, which will add to the list.

The challenge facing Assessors' Chairman Richie Allen and his team is daunting. How do you value so many damaged houses? The market value established by the sales in the last year are no longer indicative of the current

value in the affected neighborhoods. When there are sales in the coming months, the motivation of the sellers is probably not going to be typical. Even the undamaged properties in some of these neighborhoods are going to have altered values. With damaged infrastructure, destroyed, damaged and boarded up houses, and splintered or uprooted trees, the East Forest Park neighborhoods look more like a war zone than the pleasant oasis it so recently represented.

Springfield is an FY2012 certification community, so a method for valuing these distressed properties is going to have to be developed. It will be up to the board of assessors, with the assistance of their CLT certification consultant representative Eric Hardy to determine value. Until then, the Board of Assessors has voted to grant a 25 percent decrease to properties within the direct path of the tornado. They will be adjusting this up or down, based on inspections, before the actual, January bill.

The storm clouds have long since blown away. The sun is shining on Springfield. Coming over the hill on Maple Street, there is a spectacular view of the valley that didn't exist – at least to the casual motorist – before the storm. Crews are removing splintered trees; blue tarps are ubiquitous across the landscape. But it will be a long time before the dust settles for the local officials in the affected communities.

Son's neglect terminates life estate

Written by James Crowley, Esq., Bureau of Municipal Finance Law

The Appeals Court recently held that a life tenant's failure to pay real estate taxes and to maintain the property amounted to waste. The injury was deemed so detrimental to the rights of the remaindermen that the Court terminated the life estate. The case is Matteson v. Walsh, 79 Mass. App. Ct. 402 (2011).

Occasionally, family discord escalates and requires a judicial resolution. Such was the situation on Cape Cod. When Dorothy Walsh died in 1987, she left a one half acre parcel in Chatham which contained a house with two apartments, a summer cottage and an unattached garage. Under the terms of her will, she devised the Chatham property to her son, Robert Walsh, for his life, and the remainder was to be divided in three equal shares among the heirs of Robert Walsh and Dorothy Walsh's other two children, Elizabeth Matteson and Catherine Baisly. A life estate is an interest in real estate that has its duration measured by the life or lives of one or more persons. The holder of the estate, in this case Robert Walsh, is called the life tenant and has exclusive right to the possession, use and enjoyment of the property to the exclusion of others during the life estate. As assessors know, under M.G.L. Ch. 59 Sec. 11, property taxes are to be assessed to the life tenant. Spring v. Hollander, 261 Mass. 373 (1927). A life tenant is also eligible to receive a personal exemption. Breare v. Board of Assessors of Peabody, 350 Mass. 391 (1966). When a life estate ends, the persons holding the remainder interest are entitled to possession of the premises and they will then be assessed the taxes.

For many years, there was family harmony. Robert Walsh resided in the house, collected rents and paid the taxes. Suddenly, in 2004 Walsh stopped paying the taxes assessed to him and the Chatham tax collector issued a notice of tax taking. Walsh also stopped maintaining the property which quickly fell into disrepair. At the insistence of his two sisters, Walsh paid his delinquent tax bills for fiscal years 2004 and 2005. For the next three fiscal years, however, Walsh again neglected to pay the taxes. Fearing the loss of the property, Elizabeth Matteson subsequently paid about \$13,000 to the town to resolve the tax delinquency. She also hired a carpenter to make substantial repairs to the property at a cost of about \$120,000. Seeking to recoup all her expenditures, Matteson sued her brother in Superior Court for waste.

Upon hearing testimony and reviewing documentary evidence, the Superior Court judge held that Walsh had committed waste by not paying the taxes and by allowing the property to deteriorate. The judge ordered Walsh to reimburse Matteson for \$65,000 to compensate her for \$12,000 in taxes and for \$53,000 of the total repair costs. The judge then terminated Walsh's life estate and ordered the property to be held by the three siblings (Walsh, Matteson and Baisly) as tenants in common. This decision was appealed.

The Appeals Court relied on M.G.L. Ch. 242 Sec. 1 which states in pertinent part that "If a tenant ... for life or for years commits or suffers waste on the land so held, the person having the next immediate estate of inheritance may have an

action of waste against such tenant to recover the place wasted and the amount of the damage.” Walsh contended that his failure to pay the taxes did not constitute waste since the property was not actually taken and sold by the town. The Appeals Court rejected this argument since Matteson only averted tax foreclosure through her own payment of the taxes. According to the Appeals Court, the nonpayment of the taxes was a threat to her remainder interest and prejudicial to her inheritance. In the court’s view, nonpayment of a tax which results in a tax taking amounts to waste.

The Appeals Court then addressed the issue of property damage. Walsh claimed his failure to maintain the property should be described as permissive waste for which he, as a life tenant, could not be held liable. This argument did not persuade the Appeals Court. While the Court agreed that there was no evidence that Walsh destroyed or removed anything from the property, Walsh was still responsible because his neglect resulted in substantial structural deterioration. The Appeals Court held that it was a well established legal principle that a life tenant has a higher duty of care than a tenant at will to preserve the estate for the benefit of the remaindermen.

Turning then to the relief ordered by the lower court, the Appeals Court held that the Superior Court had erroneously granted Walsh a fee interest in common with his two sisters when he was divested of his life estate. The Appeals Court ruled that as soon as Walsh was divested of his life estate, the remainder interest immediately vested. At this event, Walsh did not take a remainder interest under the terms of the will. The Appeals Court then remanded the case to the Superior Court to identify the “heirs of Robert Walsh” as of the court ordered divestment of the life estate under M.G.L. Ch. 242 Sec. 1 (and not as of the date of his death), and to grant to these heirs a one-third interest in the property.

For a further illustration of a family feud over property ownership, please turn the [December 2007](#) issue of *City & Town*.

DLS and the Bureau of Accounts offer advice on emergency expenditures due to natural disasters

Written by Robert Bliss, DOR Communications Director

After three deadly and destructive tornadoes struck between the Springfield area and towns in southwestern Worcester County, the Bureau of Accounts made sure that the affected communities were aware of [Chapter 44, Section 31](#) of the state’s Municipal Finance Law.

This section allows cities and towns to incur liabilities in excess of appropriation “in cases of major disaster, including but not limited to, flood, drought, fire, hurricane, earthquake, storm or other catastrophe, whether natural or otherwise, which poses an immediate threat to the health or safety of persons or property.”

The section further states that such expenditures must be preceded by a vote in a city of two-thirds of the members of the city council, and in a town by a majority vote of all the members of the Board of Selectmen.

Payments of liabilities incurred under the authority of [Chapter 44, Section 31](#) may be made, with the written approval of the Director of Accounts, from any available funds in the treasury, and the amounts of such liabilities incurred shall be reported by the town or city auditor, accountant, treasurer or other office having similar duties.

The financial officer, in turn, must notify the assessors of the expenditures for inclusion in the next subsequent annual tax rate, unless the community has already appropriated funds for these liabilities.

Thankfully, this provision for emergency expenditure is infrequently used. Several years ago, numerous communities in Worcester County utilized this statute due to severe damage associated with a winter ice storm.

City and town officials with questions on this program are encouraged to call Gerard Perry, Director of Accounts, at 617-626-2134 or read Bulletin 2011-07B below.

Bulletin 2011-07B

The Division has posted on its website a new Bulletin that summarizes the options cities and towns have under current state law to finance emergency expenses and provide property tax relief in response to the damage caused by the June 1, 2011 tornado. It also explains the additional local finance options proposed by the Governor in legislation filed this week.

Click [here](#) to view Bulletin 2011-07B.

Originally published as a separate DLS Alert on June 8, 2011

IGR 11-101

The Division has posted an IGR to its website on Overlay and Overlay Surplus. IGR 11-101 explains the standard for maintaining an adequate Overlay, the process for transferring excess Overlay to Overlay Surplus and actions the Commissioner of Revenue may take to ensure compliance. Click [here](#) to view IGR 11-101.

Originally published as a separate DLS Alert on June 6, 2011

Encouraging signs of support for financial assistance to city and town regionalization efforts

The Senate, House and Governor in their respective budget proposals have all approved establishment of a financial reserve to support city and town regionalization efforts.

While it is too early to say for certain how those proposals will be reconciled in conference committee, it seems reasonable to think that the FY12 state budget will include language and an appropriation to support regionalization. The Governor's proposal and that of the House, sought \$9.7 million; the recently approved Senate budget asked for \$4 million reserved strictly for regionalization.

All of these proposals would fund grants to support municipal improvements based on a competitive grant program for one-time or transition costs related to regionalization and other efficiency initiatives. Applicants could include cities and towns, school district considering the formation of regional school districts, regional planning agencies and councils of governments.

This is an exciting development and reflects the traction that regionalization has been gaining as a tool to allow cities and towns to operate more efficiently and effectively. To that end, the third annual Regionalization Toolkit Conference will be held September 1 at the Hogan Conference Center at the College of the Holy Cross in Worcester. Sponsored by the Division of Local Services, Massachusetts Association of Regional Planning Agencies and Franklin Regional Council of Governments, the conference will feature a broad array of municipal service sharing examples and best practices. Registration will be available on the [Division of Local Services'](#) website beginning July 1.

Robert G. Nunes
Deputy Commissioner & Director of Municipal Affairs

Municipal Bulletin 37 Now Available

The Division of Local Services (DLS) is pleased to announce that copies of our updated *Municipal Bulletin 37, "Laws Relating to Municipal Finance and Taxation"* are now being mailed to state and local officials. This publication is a compilation of those sections of the Massachusetts General Laws and Acts and Resolves that are of particular relevance to local government updated through May 2011. The Division has also updated its [Legal Index for Municipal Officers](#), which is a user-friendly reference tool designed to assist local officials in quickly locating relevant statutes that commonly pertain to municipalities.

Municipal Calendar

June 1: Clerk Certification of Appropriations This is done after City/Town Council or Town Meeting so the Accountant may set up accounts for each department in the municipality.

June 1: Assessors Determine Valuation of Other Municipal or District Land In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year, for in-lieu-of-tax payments.

June 15: Commissioner Determines and Certifies Pipeline Valuations

June 15: Assessors Deadline for Appealing Commissioner's Telephone & Telegraph Valuations

June 15: Assessors Make Annual Preliminary Tax Commitment The preliminary tax commitment must be based on the prior year's net tax on the property and may not exceed, with limited exceptions, 50% of that amount. This should be done early enough for the annual preliminary quarterly or semi-annual bills to be mailed by July 1.

June 20: Assessors Final Date to Make Omitted or Revised Assessments As required by M.G.L. Ch. 59, Sections 75 and 76, if a property is inadvertently excluded or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment may not be made later than June 20 of the taxable year or 90 days after the date the tax bills are mailed, whichever is later.

June 30: State Treasurer Notification of Quarterly Local Aid Payments Before June 30

June 30: Assessors Overlay Surplus Closes to Surplus Revenue Each year, any balance in the overlay reserve accounts in excess of the remaining amount of the warrant to be collected or abated in that year, is certified by the Assessors. The transfer from overlay reserves to the overlay surplus is done on the Assessors' initiative or within 10 days of a written request by the chief executive officer. Once in overlay surplus, these funds may be appropriated for any lawful purpose. Any balance in the overlay surplus at the end of the fiscal year shall be closed to surplus revenue and, eventually, free cash.

June 30: Assessors Physical Inventory of all Parcels for Communities that Accepted M.G.L. Ch. 59, Sec. 2A(a)

June 30: Taxpayer Deadline for Applying to Have Land Classified as Forest Land, M.G.L. Ch. 61 According to M.G.L. Ch. 61, Section 6, this is the deadline to apply to the State Forester to have land classified as forest land.

June 30: Assessors Submit Annual Report of Omitted or Revised Assessments

June 30: Assessors Last Day to Submit Requests for Current Fiscal Year Reimbursements of Exemptions Granted Under the Various Clauses of Ch. 59, Sec. 5 If an exemption is granted to a residential property owner, the property tax is lowered, and the city or town collects fewer tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under "Payments for Loss of Taxes," section B of the Cherry Sheet. It is the responsibility of the Assessors to submit all exemptions to DOR so that the community may be reimbursed for statutory exemptions. If the Assessors fail to submit a

request, the town's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year. If tax bills are mailed late, assessors may submit requests for reimbursement until August 20.

July 1: Collector Mail Annual Preliminary Tax Bills For communities issuing annual preliminary tax bills, the preliminary quarterly or semi-annual bills should be mailed by this date.

July 15: Accountant Certification Date for Free Cash: Anytime after Books are Closed

Two weeks after the close of a fiscal year, all accounts are closed out and the resulting balance sheet and supplemental documentation submitted to DOR. Free cash is certified any time after this date.

July 15: Accountant Report Community Preservation Fund Balance: Anytime after Books are Closed

After the close of a fiscal year, the fund balance is submitted to DOR (Form CP-2) and notice given to the Community Preservation Committee and other financial officers. The fund balance may be appropriated anytime after that report.

July 15: School Business Officials Certification Date for Excess and Deficiency (E&D) Fund

Two weeks after the close of a fiscal year, all accounts are closed and the resulting balance sheet (a pre-closing trial balance or audited financial statements will not be accepted unless requested by the Director of Accounts) and supplemental documentation are submitted to DOR. E&D Fund is certified any time after this date.

July 15: Assessors Deadline for Appealing Commissioner's Pipeline Valuations to ATB

July 20: DOR/BLA Notification of Changes in Proposed EQVs (even numbered years only)

July 20: DOR/BLA Notification of Changes in Proposed State-Owned Land (SOL) Valuations (every 4th year after 2005)

August 1: Taxpayer Quarterly Tax Bills — Deadline for Paying 1st Quarterly Tax Bill Without Interest According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for receipt of the 1st Quarter preliminary tax payment without interest, unless the preliminary bills were mailed after July 1. If mailed by August 1, the 1st Quarterly payment is due August 1, or 30 days after the bills were mailed, whichever is later, and the 2nd Quarterly payment is due November 1. If mailed after August 1, the preliminary tax is due as a single installment on November 1, or 30 days after the bills were mailed, whichever is later.

August 1: Taxpayer Annual Boat Excise Return Due

August 1: Accountant Notification of Total Receipts of Preceding Year The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to DOR. On the Recap, the Accountant certifies the previous fiscal year's actual revenues, and the Assessors use this information to project the next fiscal year's revenues. Any estimates of local receipts on the Recap that differ significantly from the previous year's actual receipts must be accompanied by documentation justifying the change in order to be approved by the Commissioner of Revenue.

August 10: Assessors Deadline for Appealing EQVs to ATB (even numbered years only)

August 10: Assessors Deadline for Appealing SOL Valuations to ATB (every 4th year after 2005)

August 15: Assessors Deadline to Vote to Seek Approval for Authorization to Issue Optional Preliminary Tax Bills For semi-annual communities issuing optional preliminary property tax bills, the Assessors must vote to seek authorization to issue the bills from DOR by this date. After receiving approval, Assessors must submit a Pro-forma Tax Rate Recap Sheet to DOR for review and issue the tax bills by October 1.

August 31: DOR/BOA Issue Instructions for Determining Local and District Tax Rates A copy of the Tax Rate

Recap Sheet and its instructions are forwarded to the town.

August 31: Assessors Begin Work on Tax Rate Recapitulation Sheet (to set tax rate for semi-annual bills) Until the Tax Rate Recap Sheet is completed and certified by the Commissioner of Revenue, the community may not set a tax rate nor send out its property tax bills (unless it issues preliminary quarterly tax bills or requests from DOR the authority to send out preliminary tax notices if DOR requirements are met). Communities should begin gathering the information in enough time for the tax rate to be set and tax bills mailed by October 1. The Tax Rate Recap Sheet provides Mayors or Selectmen with a ready-made financial management tool because the town's most important financial management information is summarized on this form. The Mayor or Selectmen should review the Recap Sheet in preliminary form in order to understand the following financial information:

Page 1 (Tax Rate Summary) — The proposed tax levy should be compared to the levy limit. If a town does not levy to its limit, the remaining levy is referred to as excess levy capacity. Excess levy capacity is lost to the community for the current fiscal year although it will always remain in the levy limit calculation;

Page 2 (Amount To Be Raised) — This section includes appropriations and other local expenditures not appropriated. These include overlay deficits, revenue deficits, state and county charges, Cherry Sheet offset items, and the allowance for abatements and exemptions. By comparing this information to the prior year(s), any significant changes can be determined;

Page 2 (Estimated Receipts & Revenues From Other Sources) — In particular, Section C shows the amount appropriated from free cash and other available funds. By comparing the amounts appropriated to the balances in these accounts (available from the Accountant/Auditor), the Mayor or Selectmen can get a sense of how their non-property tax revenues are being used;

Page 3, Schedule A (Local Receipts Not Allocated) — By comparing these figures to prior year(s), the Mayor or Selectmen can determine any changes in these revenues;

Page 4, Schedule B (Certification of Appropriations and Source of Funding) — This section includes financial votes of City/Town Council or Town Meeting not previously reported on last year's recap.

City & Town is published by the Massachusetts Department of Revenue's Division of Local Services (DLS) and is designed to address matters of interest to local officials.

Marilyn Browne, Editor Emeritus

Editorial Board: **Robert Nunes, Robert Bliss, Zack Blake, and Amy Handfield**

To obtain information or publications, contact the Division of Local Services via:

- website: www.mass.gov/dls
- e-mail: cityandtown@dor.state.ma.us
- telephone: 617-626-2377
- mail: PO Box 9569, Boston, MA 02114-9569

Follow DOR on Twitter at <http://twitter.com/dormedia> or the DOR Blog at <http://revenue.blog.state.ma.us/>